To the Honourable Roland Penner, Q.C.,
Minister of Consumer and Corporate Affairs,
104 Legislative Building,
Winnipeg, Manitoba.
R3C 0V8

Sir:

Section 109(1) of The Public Utilities Board Act (CAP. P280, R.S.M. 1970) directs that the Manitoba Public Utilities Board

> "...shall, on or before the first day of March in each year, transmit to the Minister a report for the year ending the thirty-first day of December in the last preceding year..."

including therein summaries and statistics pertaining to all findings and activities of the Board.

Section 109(2) of The Public Utilities Board Act (CAP. P280, R.S.M. 1970) directs that the Report of the Board thus transmitted to the Minister

> "...shall be submitted to the Legislature if it then is in session and, if not, at the next session thereof."

Pursuant to the provisions of Section 109(1) of the Act, I am pleased to transmit to you as Minister under the Act, the Twenty-Fifth Annual Report of the Manitoba Public Utilities Board, pertaining to the year ending on the thirty-first day of December, 1984, on behalf of those Members named below who comprised the Board for the period covered by this Report.

The Board has now discharged its responsibilities in all particulars pursuant to Section 109(1) of The Public Utilities Board Act.

Respectfully transmitted, this 27th day of February, 1985.

Sincerely,

Murray Donnelly,
Chairman.

Oscar Tonn - Vice-Chairman

Rudy Schilling - Member

Susan Proven - Member

G.O. Barron - Secretary

D. de Graff - Associate Secretary

TABLE OF CONTENTS

Page No.

INTRODUCTION

Responsibilities of the Board 1

Board Personnel 2

Summary of Board Activities -

Board Meetings and Hearings 3

Orders Issued 3

NATURAL GAS DISTRIBUTION UTILITIES

Background 5

General 7

Greater Winnipeg Gas Company 9

Inter-City Gas Utilities Ltd. 14

Plains-Western Gas (Manitoba) Ltd. 17

PROPANE GAS DISTRIBUTION UTILITY

Steelgas Utilities of Manitoba Ltd. 20

THE MANITOBA TELEPHONE SYSTEM 24

THE LIQUOR CONTROL COMMISSION 28

THE MUNICIPAL ACT

Water and Sewer Utilities 29

THE HIGHWAYS PROTECTION ACT 31

THE PREARRANGED FUNERAL SERVICES ACT 32

TABLE OF CONTENTS

Page No.

THE CEMETERIES ACT 33

CABLEVISION 34

REVENUES OF THE PUBLIC UTILITIES BOARD 35

RESPONSIBILITIES

The Public Utilities Board is an independent quasi-judicial body operating under the authority of the Manitoba Legislature.

The Board is responsible for the regulation of public utilities as defined under The Public Utilities Board Act in all matters and in such manner as set out in that legislation. Other enactments which assign regulatory or adjudicative responsibilities to the Board are:

The Greater Winnipeg Gas Distribution Act
The Gas Pipe Line Act
The Gas Storage and Allocation Act
The Prearranged Funeral Services Act
The Cemeteries Act
The Municipal Act (Local Utilities)
The Manitoba Water Services Board Act (Appeals)
The Highways Protection Act (Appeals)
The Manitoba Telephone Act
The Manitoba Hydro Act (Appeals, Reference)
* The Liquor Control Act (Wholesale Beer Prices)

The Board is also charged by Orders-in-Council relating to a Canada-Manitoba Agreement to adjudicate certain disputes arising between the Manitoba Telephone System and licensed Cable Television Operators.

* A recent amendment to The Liquor Control Act removed the Board's jurisdiction with respect to the approval of wholesale beer prices negotiated by The Liquor Control Commission and the Manitoba Breweries.

BOARD PERSONNEL

At the date of this Report, the panel of the Board consisted of four Members assisted by a Secretariat, as noted below. Effective March 1, 1984, Mr. M. Donnelly became Chairman and Mr. O. Tonn became Vice-Chairman of the Board.

Chairman of the Board	Mr. M. Donnelly
Vice-Chairman	Mr. O. Tonn
Member	Mr. R. Schilling
Member	Mrs. S. Proven
Member	Mr. V. Savino (to January 31, 1984)
Executive Secretary	Mr. G. O. Barron
Associate Secretary	Mr. D. C. de Graff

Professional, technical and expert assistance is regularly available to the Board, as authorized by statute and/or by Order-in-Council in respect of the appropriate statutory provisions in The Public Utilities Board Act. Such legal, engineering, accounting and other professional or technical staff support at service to the Board is exclusively and wholly by statute under Board direction in respect of that service. These resources are employed on an "as needed" basis and paid fees set by Order-in-Council on an "as utilized" basis, plus expenses, with such disbursements being recoverable from the entities regulated or applying to the Board for service or adjudication. The Board is empowered by statute (The Public Utilities Board Act) to secure such other assistance as it deems appropriate in the process of adjudication, with the related disbursements, if any, being charged directly to the parties as the Board may determine.

BOARD MEETINGS AND HEARINGS

A total of 51 Board meetings and public hearings were held in 1984:

Board Meetings	25
Public Hearings	26

ORDERS ISSUED

During the year ending December 31, 1984, 164 Orders were issued, as follows:

Public Utilities	157
Highways Protection Act	7

Note: Copies of the decisions of The Public Utilities Board of Manitoba are available from the Board's offices upon request.

Public Utilities Orders

Public Utilities Board Act	3
Water and Sewer Utilities	94
Gas Utilities	14
Manitoba Telephone System	34
Transit	2

Highways Protection Act Orders

Appeals	7

Miscellaneous

The Cemeteries Act	1
Liquor Control Act	2
Cablevision	1
City of Winnipeg Act	2
The Municipal Act - Oil Pipelines	4

NATURAL GAS DISTRIBUTION UTILITIES

BACKGROUND

In the 1983 report of The Public Utilities Board, the Board reported as follows:

> "In 1983 the natural gas customer received a reprieve from the continued escalation in the cost of natural gas as a result of the Federal Government's announcement that on February 1st and again on August 1st, 1983 that the Federal Excise Tax rate which includes the Natural Gas and Gas Liquids Tax and the Canadian Ownership Charge was being reduced in order that the overall cost of gas at the Toronto City Gate would remain at 65% of the price of oil." and
>
> "Concurrent with the reduction in Federal Excise Tax, the cost of gas continued to rise as a result of an increase in the Alberta Border Price pursuant to the Memorandum of Agreement between the Government of Canada and the Province of Alberta (dated September 1, 1981) and an increase in the transportation tolls of TransCanada PipeLines whose rates are approved by the National Energy Board."

This trend continued in 1984. To maintain the 65 percent gas/oil price ratio the Federal Government reduced its Natural Gas and Gas Liquids Tax to zero in February, 1984 and further began to subsidize the transportation cost between Alberta and the East by reducing a portion of its Canadian Ownership Charge.

As a result of the above the cost of gas to the Manitoba Utilities increased on February 1, 1984 and August 1, 1984. Because the February 1, 1984 increase was very small the Companies requested and the Board agreed to combine that increase with the August 1, 1984 increase to be effective September 1, 1984.

Before these adjustments can be passed through to customers, The Public Utilities Board Act requires approval by The Public Utilities Board and the Board must be satisfied that these costs warrant being passed on to the customers and determine whether the utility can absorb some or all of the cost. In recent years, all such cost increases have been passed on to the customers.

A second reason for increasing natural gas prices is the revenue required by the gas utilities to operate their companies; raise necessary capital and provide safe and efficient service to customers. As demonstrated in the graph titled "Greater Winnipeg Gas Company - Distribution of Gas Utility Revenue" as shown on page 11 it is evident that these costs are a relatively small component of the rates paid by customers. Ironically, it is these costs which continue to be the subject of much scrutiny at public hearings.

GENERAL

Effective February 1 and August 1, 1984 the cost of natural gas to each of the Provincial natural gas utilities changed in whole or in part for the following reasons:

1. Increases in the Alberta Border Price as set out in the Memorandum of Agreement between the Federal and Alberta Governments relating to Energy Pricing and Taxation dated September 1, 1981.

2. Increases (decreases) in Federal Excise Tax.

3. Increases in rates charged by TransCanada PipeLines Ltd. (approved by the National Energy Board).

4. Increases in the wholesale cost of propane (unregulated).

In Notices of Public Hearing, the Board notified the general public by way of newspaper publications and by way of Notice on the franchise-granting municipalities, that the utility serving their respective homes and areas applied to The Public Utilities Board to revise its rates for reasons mentioned above.

Intervention by the general public at these hearings continued and it is apparent to the Board that the public continues to be unaware of the specific reasons which precipitated the applications. The Applicant companies and the Board took the opportunity to advise the public that the reasons for the applications, as noted above, were beyond the control of the Companies and beyond the jurisdiction of the Board and that the Board's principal role on these occasions is to ensure that the adjustment to the price of gas was fair and equitable. On every occasion the Board assured itself that the Company's profits were not enhanced.

Although the Agreement between the Federal Government and the Province of Alberta provides for the Alberta Border Price for natural gas to increase on February 1 and August 1 of each year until the year 1986, currently discussions at the Federal level are being carried out with regard to the future of this Agreement. The anticipated February 1, 1985 increase has been postponed at the date of this writing 60 days pending a review of the Agreement.

GREATER WINNIPEG GAS COMPANY

On August 15, 1984 the Board heard the Company's application to pass-on additional costs for gas arising as a result of the factors discussed under the heading "General". As noted earlier because the increase in the cost of gas effective February 1, 1984 was small, the Board allowed the adjustment to be deferred and to be included with the anticipated further cost of gas increases effective August 1, 1984.

In Order No. 120/84 the application was dealt with by the Board and was approved as requested. The net effect of the combined rate adjustment was to increase the average residential customer's annual bill by approximately 1.2%.

On June 26 - 29, 1984 inclusive the Board held public hearings respecting the Company's application for approval of its rate base based on a 1983 test year and for approval of an increase in the overall rate of return from 12.64% to 13.43%. This application included a request for a higher return on equity from 14.25% to 16.25%.

After considering all the evidence of the Company and of the Intervenors, the Board was not convinced that a change in the allowed return on equity was required and therefore no change was approved. However as a result of changes in the Company's rates for long and short-term debt the Board in Order No. 117/84 allowed the overall rate of return of the Company to slightly increase to 12.65%.

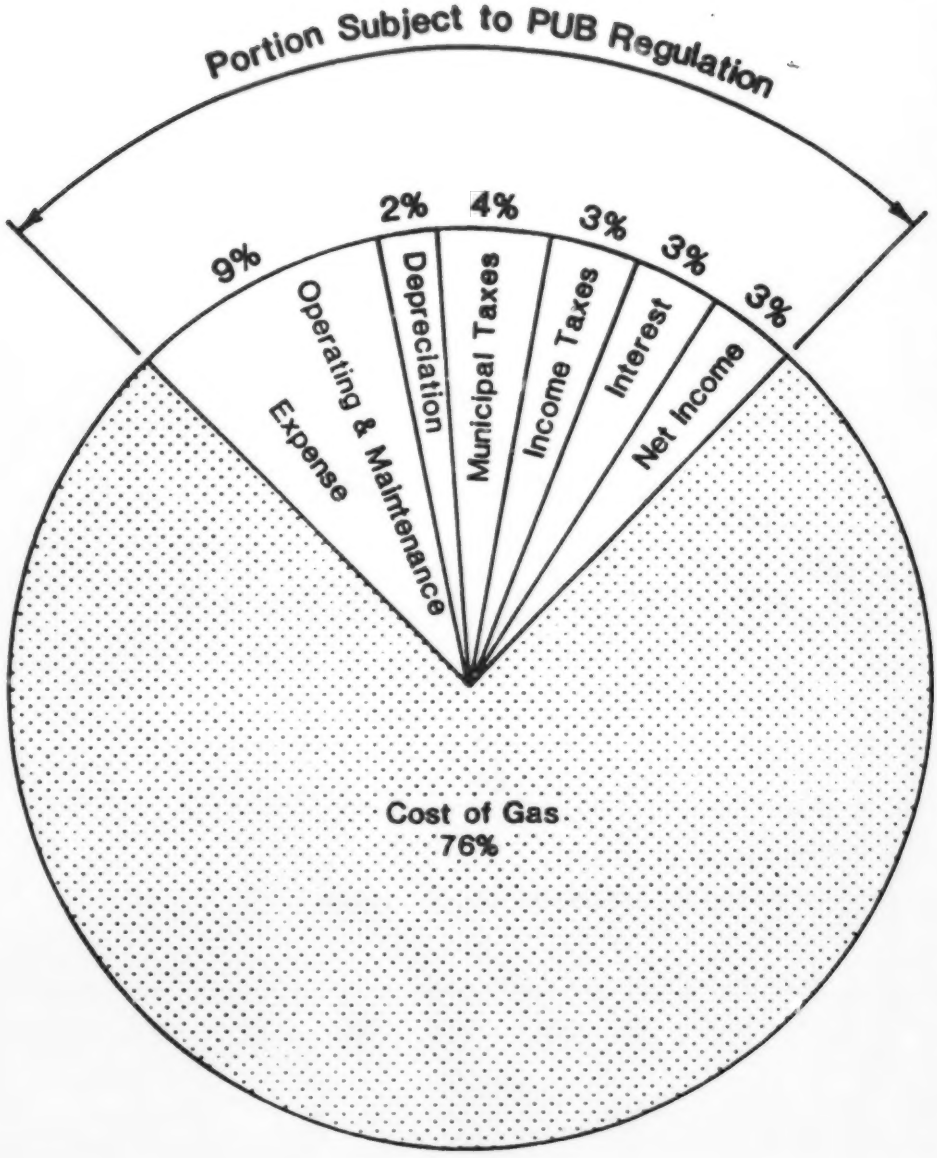
The rate base of the Company approved by the Board increased to $105,057,273 or approximately 3.4% over the previous year and the total revenue requirement allowed by the Board amounted to $222,515,308 which is a slight decrease over that approved in 1983. Once again

the Board notes that $170,259,970 or 76.5% of the revenue requirement is attributable to the cost of gas alone.

In Order No. 123/84 the Board approved revised rates effective September 1, 1984 to include the pass-on of the increased cost of gas approved in Order No. 120/84 and the Board's rate base/rate of return determination. The combined effect of these two applications increased the average residential home heating bill by approximately $33.00 per year or 4.8%.

Pursuant to Board Order No. 53/84 the Board in Order Nos. 118/84 and 119/84 dealt with applications of Mr. G. Finkle, a Consumer and the Manitoba Society of Seniors and Consumers' Association of Canada (Manitoba Branch) for an award of costs for their participation in the Company's rate base/rate of return application. On the basis of the Board's assessment of their contribution to the proceeding and other factors, the Board denied Mr. Finkle his costs and awarded the Manitoba Society of Seniors and Consumers' Association of Canada $9,285.43 being half of the cost of their expert witness and all their out-of-pocket costs.

The Manitoba Society of Seniors and Consumers' Association of Canada (Manitoba Branch) have disputed their award of costs and the matter was heard by the Board on January 17, 1985. At the time of this writing the decision was still pending.

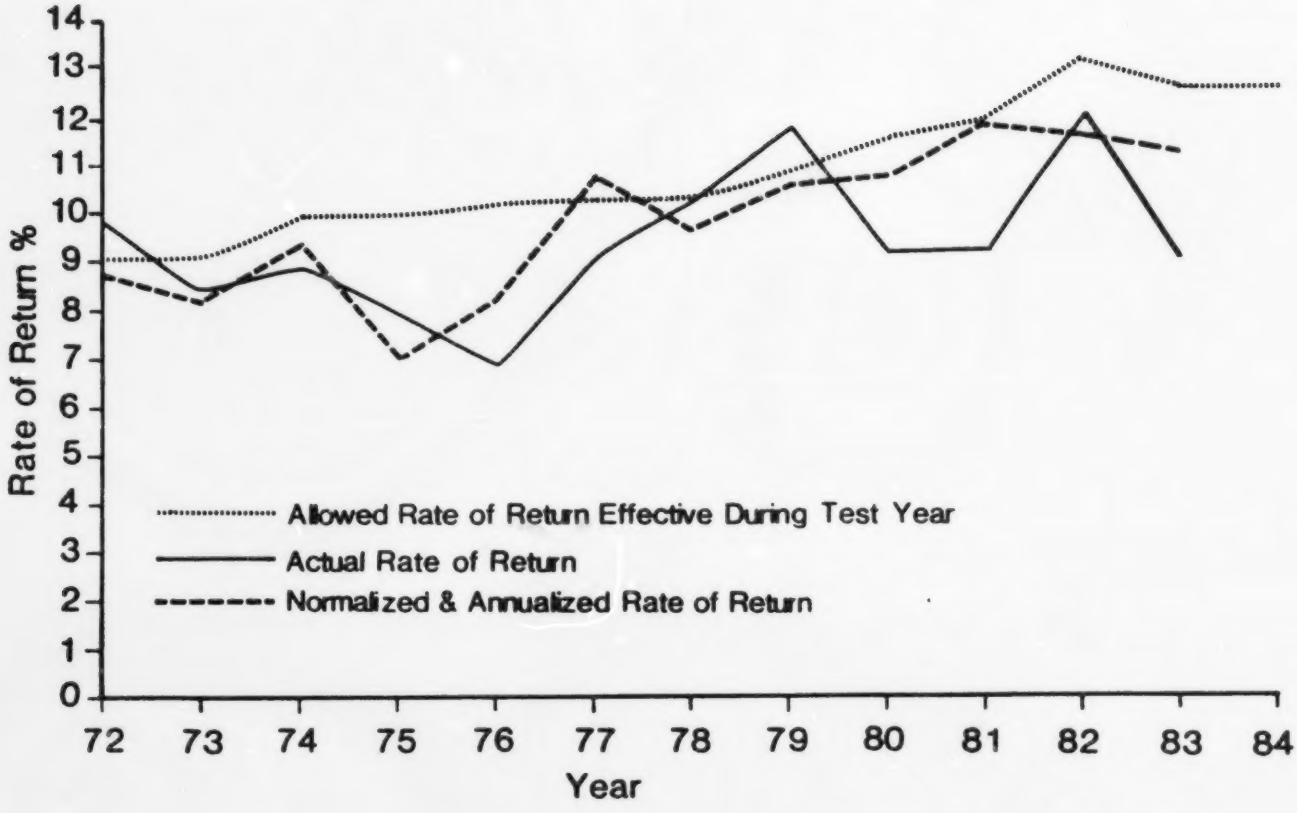


DECEMBER 1984

Cost of Gas Includes Trans Canada Pipelines Limited Transportation Tolls, Federal and Alberta Government Taxes, Royalties, and Gathering System and Producer Costs.

GREATER WINNIPEG GAS COMPANY

Distribution of Gas Utility Revenue

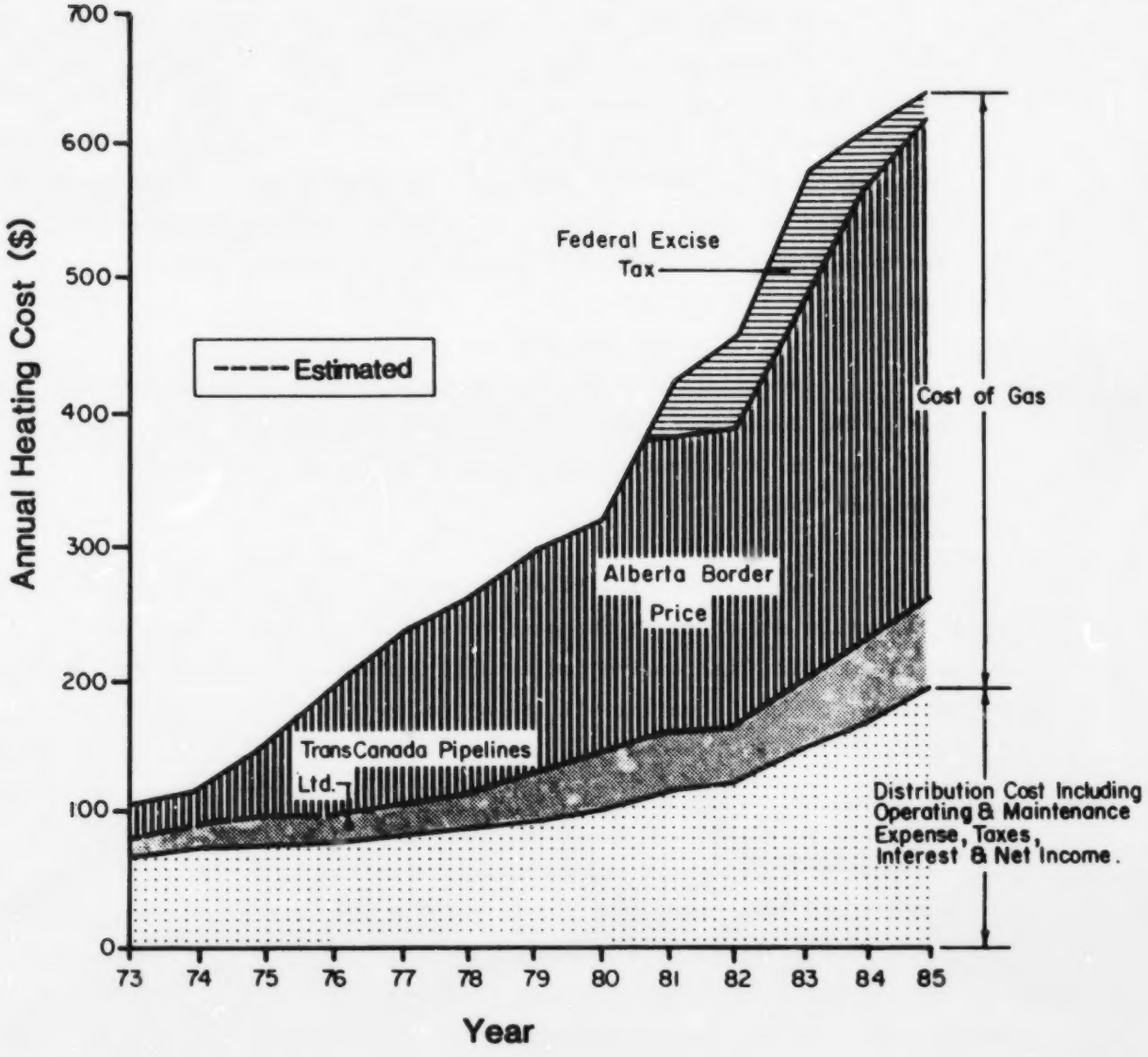


Notes 1. Rate of Return is the Return Earned or Allowed to be Earned by a Utility Calculated as a Percentage of its Rate Base i.e. Investment in Property, Plant & Equipment.

2. Actual and Normalized Rates of Return for 1984 Were Not Available at Time of Printing.

GREATER WINNIPEG GAS COMPANY

Rate of Return on Rate Base



Based on Usage of 119 Mcf / Year Which Represents Only Space Heating. Hot Water Heating is Not Included. Due to Conservation Effects, Space Heating Consumption Has Declined From 142 Mcf / Yr. in 1975. At January 1, 1985 Rates, 142 Mcf Would Cost $750.

GREATER WINNIPEG GAS COMPANY

Annual Heating Cost of an Average Residential Customer

INTER-CITY GAS UTILITIES LTD.

On August 16, 1984 the Board heard the application of Inter-City Gas Utilities Ltd. to increase consumer rates for gas sold by the Company effective September 1, 1984 because of changes in the cost of gas to the Company due to the Federal-Provincial Agreement which sets out increases in the Alberta Border Price, Federal Taxes and the charges of TransCanada PipeLines Limited as reflected in National Energy Board Orders effective February 1 and August 1, 1984.

Once again because the February 1, 1984 adjustment was small, the Board permitted the increase to be deferred until August 1, 1984 when the anticipated next stage increase could be handled simultaneously.

In Order No. 121/84 the Board dealt with the Company's application and approved the pass-on of the increased cost of gas as requested. The combined adjustment increased the average residential consumer's annual heating bill by approximately $6.00 or about 1%.

For the second consecutive year the Company did not apply for an increase in rates as a result of changes in rate base or rate of return. However, the Board reviewed the financial position of the Company and determined that the Company in 1983 earned on a normalized basis an overall rate of return of 13.76% which is slightly more than its allowed rate of return of approximately 12.5%. The revenue excess in actual dollars amounted to $86,476 which in the opinion of the Board was acceptable. No action was deemed necessary by the Board.

A public hearing was held in Brandon on November 28, 1984 with respect to the joint application of Inter-City Gas Utilities Ltd., Inter-City Gas Transmission Ltd. and Plains-Western Gas (Manitoba) Ltd. to approve the merger or consolidation of the property of:

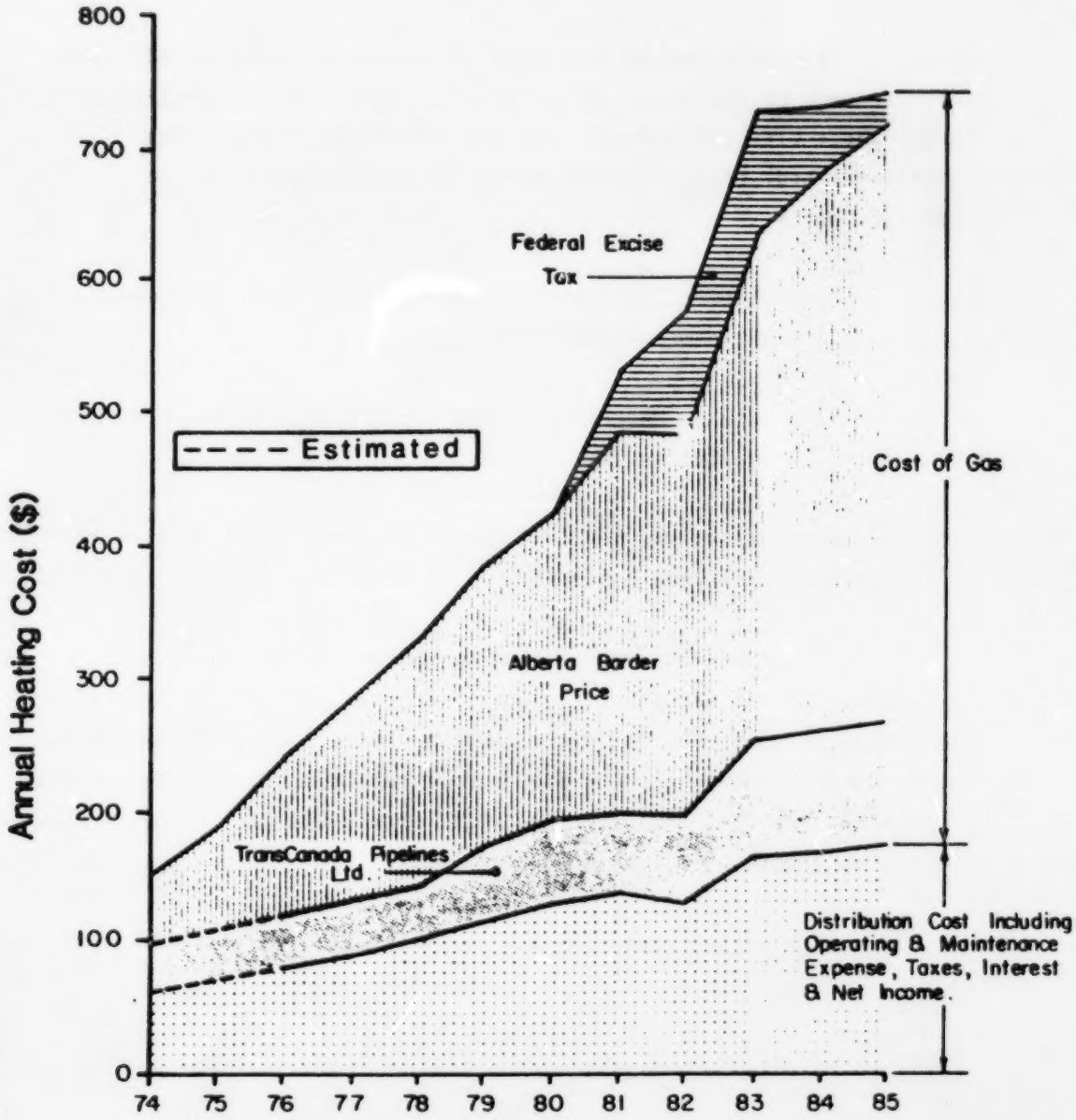
(a) Inter-City Gas Utilities Ltd. and Inter-City Gas Transmission Ltd.;

(b) Plains-Western Gas (Manitoba) Ltd. with the Company merged in (a).

The said application was heard by the Board pursuant to Section 82(1)(h) of The Public Utilities Board Act.

After hearing the evidence submitted by the Applicants in support of the merger of the companies together with the concerns of the Intervenors,the Board approved the merger as requested, noting in Order No. 160/84 that the proposed merger will not have any effect on the customers at this time and that certain benefits should accrue to the customers from a merged operation.

The merged operation will be known as ICG Utilities (Manitoba) Ltd.



Based on Usage of 150 Mcf / Year.

INTER-CITY GAS UTILITIES LTD.

Central Division

Annual Heating Cost of an Average Residential Customer

PLAINS-WESTERN GAS (MANITOBA) LTD.

On June 22, 1984 the Board issued Interim Ex Parte Order No. 94/84 approving the application of Plains-Western Gas (Manitoba) Ltd. for an amending agreement for gas sales to Simplot Chemical Company Ltd. (Simplot). Simplot having purchased an interest in an Alberta natural gas well agreed to sell to the Company its own natural gas delivered by TransCanada PipeLines Limited to the point of acceptance by the Company. Accordingly, Simplot would continue to pay the Company the rates approved from time-to-time by the Board for all gas consumed. Furthermore, Simplot will pay an additional charge if required so that the Company's total cost for purchased natural gas is the same as it would have been had all gas been purchased from TransCanada PipeLines Limited.

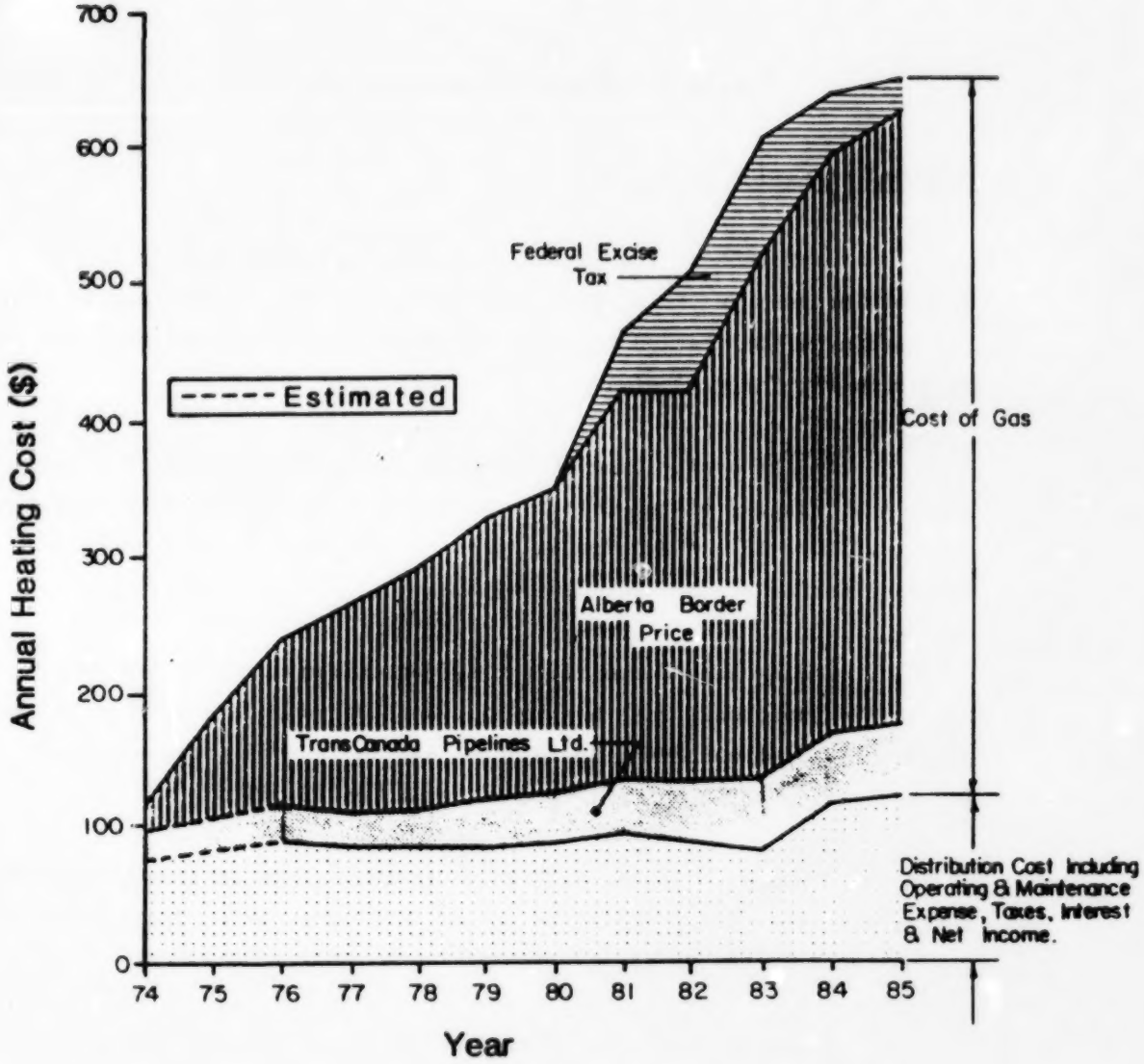
Board Order No. 94/84 was the subject of a public hearing conducted by the Board in Brandon on November 29, 1984. Board Order No. 159/84 was subsequently issued confirming Interim Ex Parte Order No. 94/84 in all respects.

A public hearing was held on August 16, 1984 in Winnipeg, Manitoba concerning the application of Plains-Western Gas (Manitoba) Ltd. to increase rates to be charged for gas sold effective September 1, 1984 by reason of changes in the cost of gas to the Company due to the Federal-Provincial Agreement which sets out increases in the Alberta Border Price, Federal Taxes and the charges of TransCanada PipeLines Limited as reflected in National Energy Board Orders effective February 1 and August 1, 1984. These natural gas increases have traditionally been handled in two stages. However, because the February 1, 1984 increase was small the Board deferred any consumer rate increase until the anticipated application to pass-on the August 1, 1984 stage increase was before the Board.

In its Order No. 122/84 the Board approved the application of the Company to pass-on its increased cost of gas effective February 1 and August 1, 1984 on September 1, 1984. The combined adjustment increased the average residential consumer's annual heating bill by approximately $7.60 or 1.3%.

Plains-Western Gas (Manitoba) Ltd. did not file a rate base, rate of return and rates application in 1984. The Board reviewed the financial position of the Company and determined that the Company in 1983 earned on a normalized basis a 11.98% overall rate of return which slightly exceeded the 11.63% allowed by the Board. The excess earnings amounted to approximately $30,000 and the Board deems this amount to be acceptable. No action was deemed necessary by the Board.

As noted under the heading "Inter-City Gas Utilities Ltd." an application was heard by the Board to approve the merger of certain companies including Plains-Western Gas (Manitoba) Ltd. This application was approved by the Board in Order No. 160/84 and the merged company will be known as ICG Utilities (Manitoba) Ltd.



Based on Usage of 150 Mcf / Year.

PLAINS-WESTERN GAS (MANITOBA) LTD.

BRANDON DIVISION

Annual Heating Cost of an Average Residential Customer

PROPANE GAS DISTRIBUTION UTILITY

STEELGAS UTILITIES OF MANITOBA LTD.

On November 7, 1984 the Board held a public hearing in the City of Thompson and reconvened on November 9, 1984 in Winnipeg to hear the Company's application for an order determining the rate base and rate of return for the year ending July 31, 1984.

In its application the Company requested approval of a rate base of $1,751,247 and an increase in its overall allowed rate of return from 12.25% to 15%. The rate increase as applied for represented an increase for an average residential customer of approximately 17.7%.

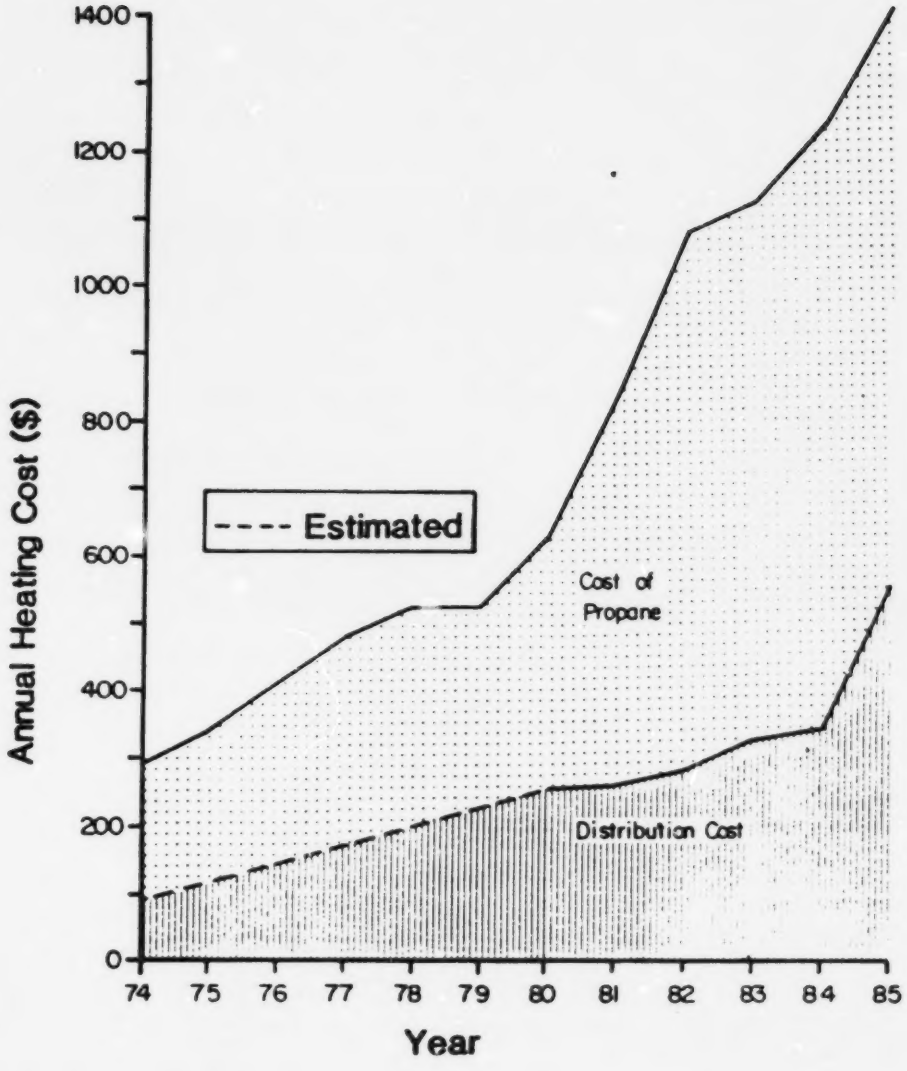
Having considered all the evidence, the Board in its Order No. 161/84 approved a rate base of $1,744,082 and a revenue requirement of $3,705,862 of which the Board notes 64% is cost of propane alone. The Board allowed an overall rate of return of 13.75%.

A number of interventions were made at the hearing by government representatives, union officials and private consumers. Their participation was welcomed by the Board.

Steelgas Utilities of Manitoba Ltd. expressed a concern to the Board about the financial stability of the utility and pointed out that the utility might not be able to meet its service obligation. The Board notes that the Company is in a very precarious position in that costs to its customers are increasing because the customer base is decreasing and each time rate relief is sought to compensate for such losses, the financial stability is further weakened.

The Board recognized that the economic circumstances in Thompson are difficult, but nonetheless felt a rate increase was justified to ensure that those customers that depend on the utility continue to be assured a continued supply of propane.

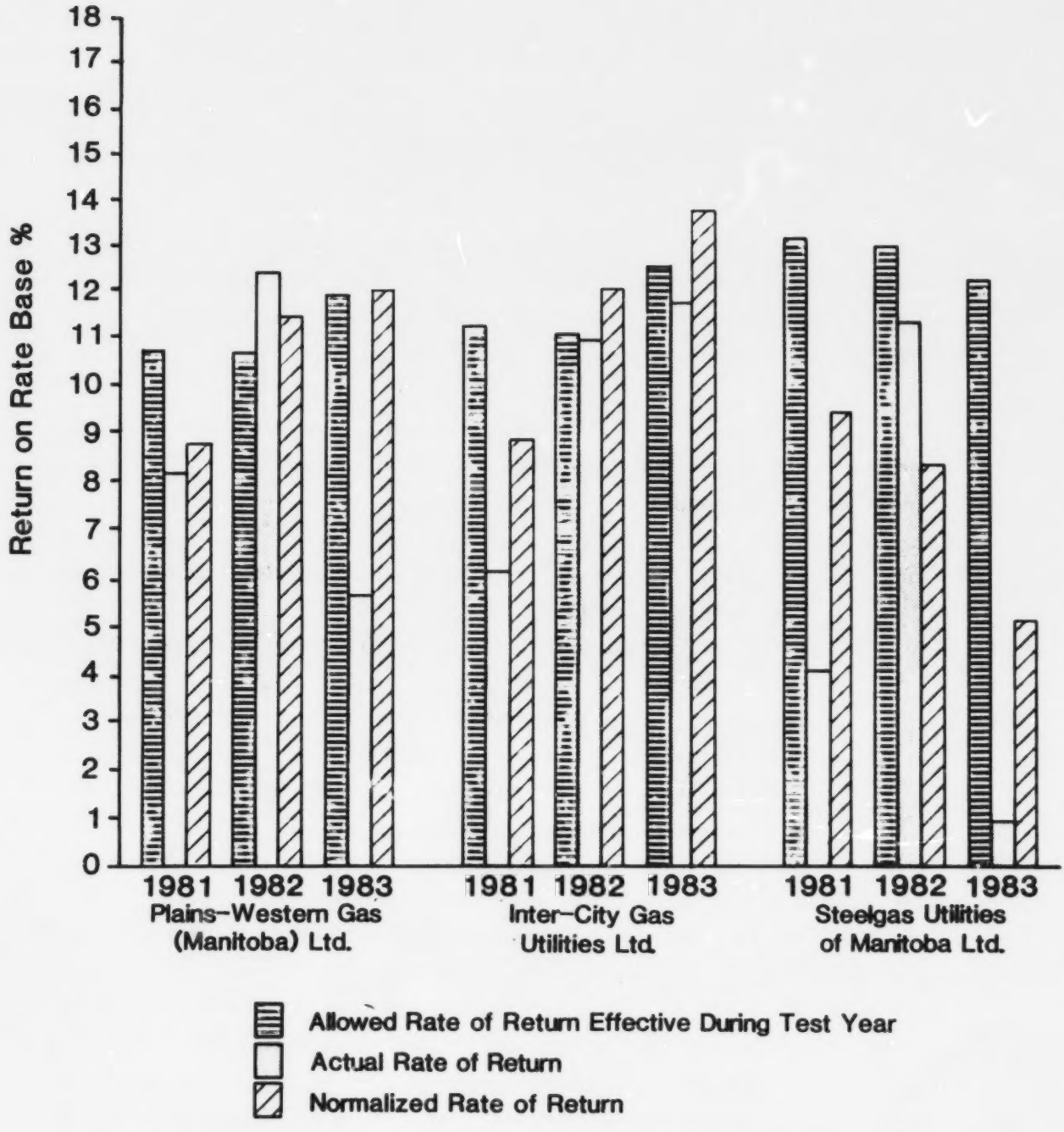
The Board in Order No. 164/84 approved an increase in rates effective December 1, 1984. The increase in rates to the residential and commercial customer amounted to approximately 10 and 14% respectively.



Based on Usage of 5100 litres per year.

STEELGAS UTILITIES OF MANITOBA LTD.

Annual Heating Cost of an Average Residential Customer



Note: Rate of Return is the Return Earned or Allowed to be Earned by a Utility Calculated as a Percentage of its Rate Base i.e. Investment in Property, Plant & Equipment.

MANITOBA GAS UTILITY COMPANIES
(OTHER THAN GREATER WINNIPEG GAS COMPANY)
Rate of Return on Rate Base

THE MANITOBA TELEPHONE SYSTEM

During 1984 the Board issued 34 Orders relating to matters such as improvement of service, introduction of market trials and specific adjustments to items in The Manitoba Telephone System's (the System) General Tariff.

On June 6, 7 and 8, 1984 in Winnipeg, the Board held public hearings with respect to the application of the System for an Order or Orders for the approval of the following:

(a) Proposed changes in rates for certain items in the General Tariff;
(b) Confirmation of Interim Ex Parte Orders issued by the Board between August 25, 1983 and May 8, 1984;
(c) A two year market trial of the "Dial-It-900" Service commencing on June 29, 1984; and
(d) A market trial of the "Get-Together" Service to determine residential service customer reaction to a new teleconferencing service.

The System indicated that its application addressed, in part, changes to the General Tariff as follows:

1. A rate increase of $0.25 covering monthly primary exchange service for all rate groups;
2. A rate increase of $0.50 covering monthly enhanced residential service for all rate groups;
3. A rate increase of $1.00 covering monthly primary business exchange service for all rate groups;
4. An increase of $0.25 for residential extension telephones;

5. Increases in rates for Centrex, PBX Switchboards, BCS Service, Key Service and associated equipment;
6. Increases in service charges with the line connection charge to be increased by $1.50 and associated work units to be increased by $10.00; and
7. Rate increases for miscellaneous services such as foreign exchange, mobile telephones, private line and conference calling.

The System testified that the projected income of the System for the 1984/85 fiscal year would be $300,000 without a rate adjustment and that this amount of revenue would not permit the System to satisfy its basic objective of maintaining financial self-sufficiency and pursuing its financial goals to reduce the debt ratio by one percent per year, to realize a return on average invested capital that maintains comparability with other telephone utilities in Canada and to maintain a general operating performance that is also comparable with other telephone utilities.

Based on these financial goals, the System indicated substantially higher increases would have been justified but instead it chose to contain costs to help restrain consumer price increases. As a result the System requested a rate increase that would provide an increase in total earnings for the 1984/85 fiscal year of approximately $6.5 million (July 1, 1984 rate revision) or $8.6 million on an annualized basis. This level of income would achieve a 83.4% debt ratio and a debt coverage of 1.12.

The Board examined the proposed rate increases and considered the impact these would have on the subscribers. The Board determined that a rate adjustment was required to maintain the financial integrity of the System. The Board did not agree that a reduction in the debt

ratio was appropriate during the present period of restraint. Although the Board noted it has no direct jurisdiction over the System's Construction Program the Board also questioned the ambitious nature of the System's construction program during a restraint period.

The Board, in Order No. 103/84, once again disallowed the System's request to apply a fixed dollar increase noting that such an application results in higher percentage increases in rural Manitoba. The Board directed that the allowed increase to all residential rate groups be 4.4%. Individual business line rates were permitted to increase 7.6%.

The Board heard interventions from the residential and commercial class of customers. These interventions were dealt with during the course of the proceedings.

The Board confirmed 18 Interim Ex Parte Orders dealing with matters related to new service offerings, increases and decreases in rates for specific services, trial offerings, promotions and withdrawals of existing services that were handled by the Board during the period August 25, 1983 to May 8, 1984.

On April 9, 10 and June 21, 1984 a public hearing was held to hear the application of the System for an Order pursuant to Order-in-Council 1318 to introduce network direct dial and overdial access for privately-owned paging systems; as well as approval of the rates for wholesale tone only system wide and wholesale local tone and voice paging services.

The major issue before the Board was the application of "user sensitive rates" for this type of service. From the evidence presented the Board was not able to discern any meaningful distinction

between the service to be provided to paging service providers and the service provided to other business subscribers. The Board in Order No. 109/84 deemed the application of "user sensitive rates" in this instance not to be justified. The System was directed to amend its rate schedules accordingly. The Board requested that the System provide a report to it following one (1) year of the implementation date of the service at which time the Board may review its decision.

THE LIQUOR CONTROL COMMISSION

Two Orders were issued relating to applications of The Liquor Control Commission (the "Commission") pursuant to Section 20(3) and 20(4) of The Liquor Control Act.

On March 30, 1984 the Board held a public hearing to hear the Commission's application for a general increase in the wholesale price of beer paid by the Commission to all Manitoba Breweries. The application indicated that the three Brewers were to maintain some differential pricing in an attempt to increase their individual share of the market. The rate of return on investment for the industry was 13.6% in 1983 and was projected to decline to 6.9% in 1984. The requested price increase of the Brewers was expected to bring a return on investment of approximately 7.8% in 1985. The Board examined the manufacturing and distribution costs, head office charges, marketing and export sales of the industry.

The Board, having considered all the evidence, approved the proposed price increases effective April 16, 1984.

On May 7, 1984 the Board heard the Commission's application to permit Molson Brewery Manitoba Ltd. to reduce the wholesale price of its Frontier Beer brand for on and off premise consumption. Order No. 70/84 authorized the Commission to conduct this price reduction during the period May 16 to November 16, 1984 as requested.

THE MUNICIPAL ACT

WATER AND SEWER UTILITIES

There were a total of 94 Board Orders issued by the Board respecting applications filed with the Board by Local municipal authorities, as set out below:

(i) 42 applications pursuant to Section 563 of The Municipal Act which requested approval and authorization for method of recovery pertaining to the following: 38 utility operating deficits for the year ending December 31, 1983 and 2 anticipated revenue deficits for 1984. There were 2 additional applications for approval to vary the method of recovery of revenue deficits earlier approved by the Board. In respect of the aforesaid 42 applications, Orders were issued authorizing same.

(ii) 39 applications for revisions, amendments or establishment of rates were processed and Orders were issued authorizing same. Board guidelines which have been prepared and distributed to local authorities were applied wherever possible to assist them with their rate design and to ensure that sufficient revenue would be provided to cover normally anticipated expenses plus an adequate contingency allowance. Applications were handled by hearing or Returnable Date Notice. In all cases the municipalities and affected customers were served appropriate notice.

(iii) 13 applications for establishment of utility reserve funds pursuant to Section 569 of The Municipal Act were processed and Orders issued to authorize the creation of the reserve fund.

The Board authorized 20 requests by municipalities to make expenditures from their utility reserve funds established under Section 569 of The Municipal Act for miscellaneous purposes relating to the operations of the utilities.

The Board and its staff maintained continuous contact with applicant municipalities and others contemplating changes and seeking guidance in the preparation of their applications. Board staff met frequently with municipal representatives to assist them and to ensure that applications were filed in the form prescribed by the Board, pursuant to statute. In most instances, these applications required the preparation of a rate study, and when necessary, public hearings were held in the applicant municipalities.

Note: The Board's general guidelines were introduced in 1977 to assist an applicant municipality in the preparation of an application and supporting rate study, for the approval of rate increases only, or for the establishment of utility rates.

THE HIGHWAYS PROTECTION ACT

Pursuant to Section 21 of The Highways Protection Act the Board issued 7 Orders respecting appeals of the decision of The Highway Traffic Board. All of these applications dealt with the structures or access driveways located within a controlled area adjacent to a highway designated by regulation of The Highway Traffic Board as a Limited Access Highway.

The Board Orders dealt with applications involving 6 access driveways and 1 sign. Three of the 7 appeals were dismissed and 4 were allowed.

A public hearing is held by the Board in response to each appeal application under The Highways Protection Act. In some instances hearings may be reconvened to permit further evidence to be presented to the Board and occasionally on-site inspections are required.

THE PREARRANGED FUNERAL SERVICES ACT

As administrator of The Prearranged Funeral Services Act, the Board is responsible for licensing companies selling prearranged funeral plans and for ensuring that the operations of these firms conforms to statutory requirements.

In 1984, the Board issued 27 licences, 26 of which were renewals. The Board approved 1 application for initial licence. Thirty-two applications for approval of revisions in fees for services, as well as 1 application for initial approval in fees and services were approved.

The Board continued to review and monitor the annual reports filed by the licensees and their trustees in respect of the prearranged funeral plans being sold and the contracted funds maintained in trust.

THE CEMETERIES ACT

During the year the Board issued renewal licences for the operation of 10 cemeteries, 7 columbariums, 3 mausoleums and 5 crematories. Forty-three licences to sell were issued either to owners or to sales personnel. In addition, 9 applications, each for a revision in a schedule of fees for spaces, materials, and services were authorized and 1 application for an initial schedule of fees for spaces, materials and services was authorized.

The Board continued to monitor the maintenance and "passing of accounts by a Judge of the Court of Queen's Bench" (formally the Surrogate Court) in respect of perpetual care funds collected and deposited in a trust fund with an authorized trustee pursuant to The Cemeteries Act. During the year, passing of accounts was completed for 1 cemetery.

CABLEVISION

In the 1983 annual report the Board reported as follows:

> "Winnipeg Videon Incorporated (Videon) applied to the Board, pursuant to the provisions of a Principles Agreement, which provided for Videon and The Manitoba Telephone System to forward any unresolved matters relating to their finalization of the Replacement Agreement for the "Coaxial Cable Distribution System Agreement" executed in 1967. The Board in its letter of December 22, 1983 advised Videon that any dispute of the nature referred to in the Principles Agreement should fall under Order-in-Council 1470/82 and not the Principles Agreement and unless specific direction is given to the Board pursuant to the Principles Agreement the application before the Board could not be heard unless Videon files under Order-in-Council 1470/82."

On March 26, 1984 the Board met with representatives of The Manitoba Telephone System and Videon to identify before the Board the issues in dispute. Although this was not accomplished, the parties agreed to extend the terms of their agreement for basic cable services one (1) year beyond the expiration date. The parties were requested to together identify for the Board the specific points for which they request the Board's adjudication.

This matter has not returned to the Board and recent information indicates that the matter has been resolved.

REVENUE

Most costs incurred by the Board in carrying out its operations were substantially recoverable from the utilities and agencies under its jurisdiction or making application for its service. The 1984 revenue collected was as follows:

Public Utilities	$413,929.76
The Prearranged Funeral Services Act	675.00
The Cemeteries Act	6,022.50
The Highways Protection Act	200.00
	$420,827.26

These data covers actual receipts only for the period covered by this Report, ending December 31, 1984; receipts after that date will be recorded for the subsequent year.